

Testimony of Toni M. Fatone
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RE: SB 845 AAC Nursing Home Oversight

Sen. Harris, Rep. Ritter members of the Public Health Committee I am Toni Fatone the Executive VP of the Ct Association of Healthcare Facilities.

It is a rare opportunity for me to come before a committee to testify on proposed legislation that is already being implemented. Yes the provisions of this bill are already in use by the Department of Social Services and have been since this same legislation failed to be approved by the Legislature last session.

It is equally rare for the Legislature to get an opportunity to see first hand how the legislation is working before it is even passed. But you can! Just look at the 10 nursing homes in receivership that are being run by the State of CT at exorbitant expense and look at the 5 facilities currently in Bankruptcy. The State receiver is anxiously searching for a buyer for her 10 facilities and she is exceeding the deadline given to her in statute in many cases because she simply can't find a buyer, no one in CT is interested in those facilities and every company that has come from far and wide and taken a look at the sales agreement and prospectus- have all walked away. Why?

Because the majority of the provisions in this bill are included in the sales agreement provided by the Department of Social Services. And when anyone's lawyers takes a look at the provisions they cannot recommend that their client go thru with the deal for a multitude of legal reasons and business ones.

This legislation was designed for Haven HC- that company no longer exists. The genesis of this legislation was an effort to be proactive in response to their activities. There is no evidence that those activities were going on in any other company and if they were like with Haven the Department already possesses the tools to ferret that activity out. And obviously the Department doesn't feel it needs the Legislation as they are already using the provisions of this legislation in all sales agreements and in ALL interim rate agreements with very poor results.

This bill is a failure. It is costing jobs, taking much needed tax revenues from our municipalities and is preventing good owners from taking over facilities we need to maintain. If no buyer is found the receiver will have to close those facilities. Its that simple. The statute requires it. How are we going to do without another 10 facilities? How are we going to tell 1200 frail elderly people the State is foreclosing on their home because we couldn't find a buyer because the provisions of this bill drove all good providers away? Are we going to cost the State another 1500 workers with this passage of this bill in this economy? Is that what we hope to achieve? Because I assure you that's what the Governor's bill does. Is that going to be our legacy?

I urge the committee to reject this legislation. Thank you for your time.